

# **ACA Transition Options for Expansion Populations and State Funded Programs**

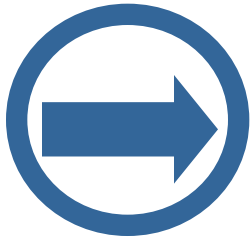
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**Washington Health Care Authority  
June 20-22, 2012**

# Agenda



Review preliminary category and program analyses, options and implications

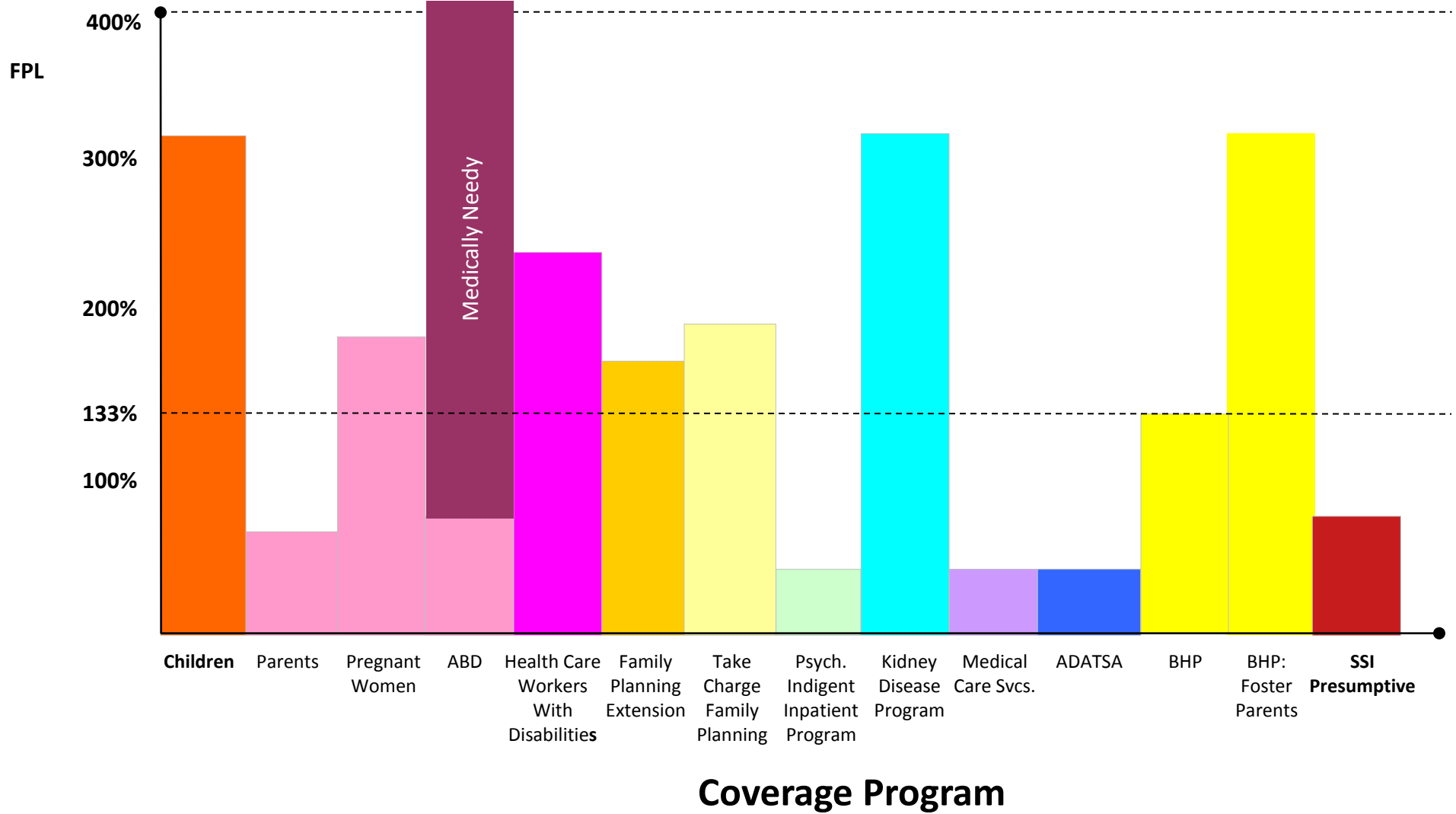


Discuss next steps

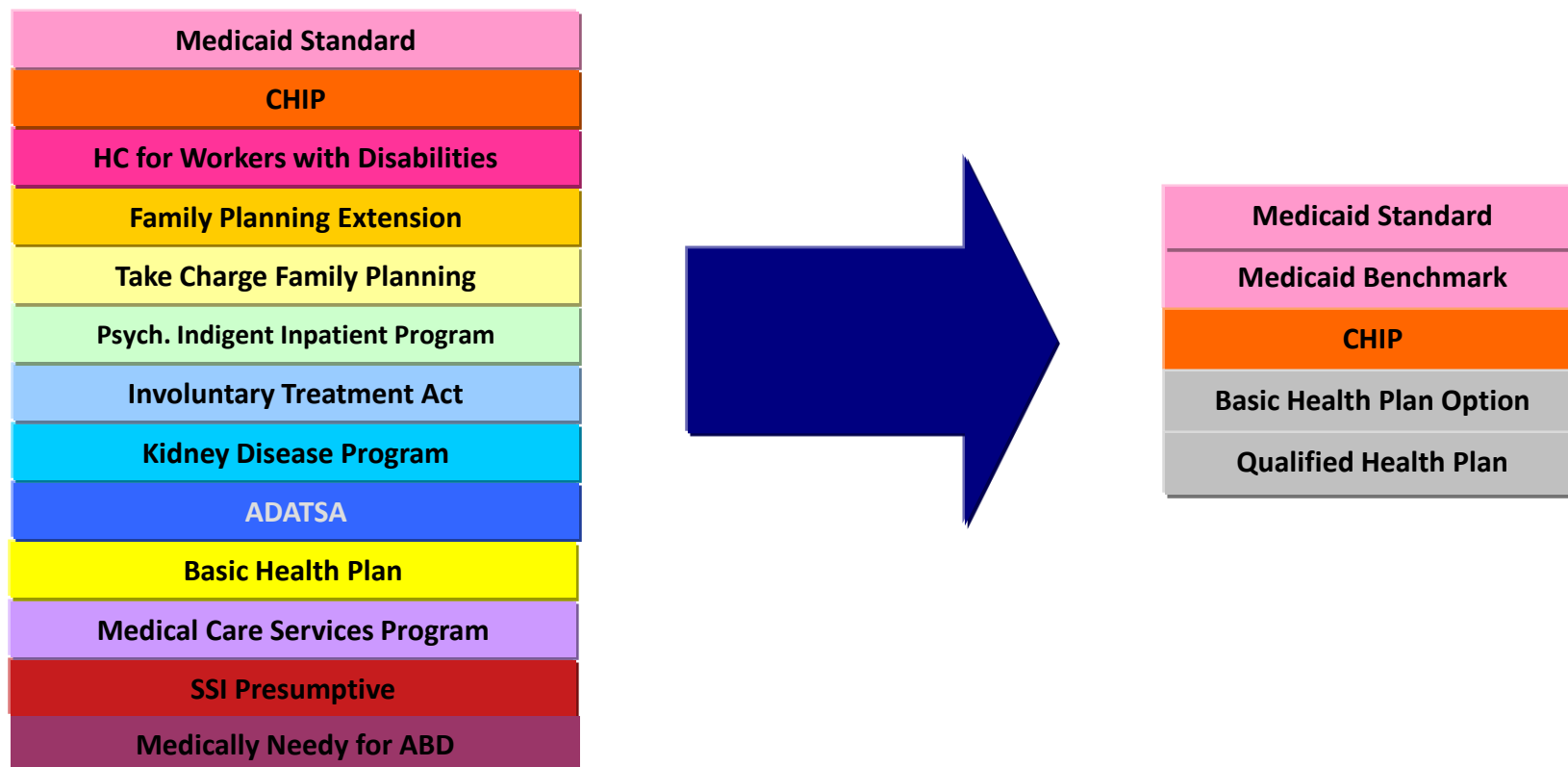
# Transition Goals

- Maintain or expand needed services, to maximum extent possible
- Maximize continuity of coverage from “as-is” to “to-be” status
- Maximize continuity of coverage among to-be coverage options
- Leverage federal dollars to provide state fiscal relief
- Optimize administrative simplification opportunities and maximize use of electronic application and enrollment pathways
- Comply with or, seek waiver from, specific ACA requirements related to coverage and eligibility

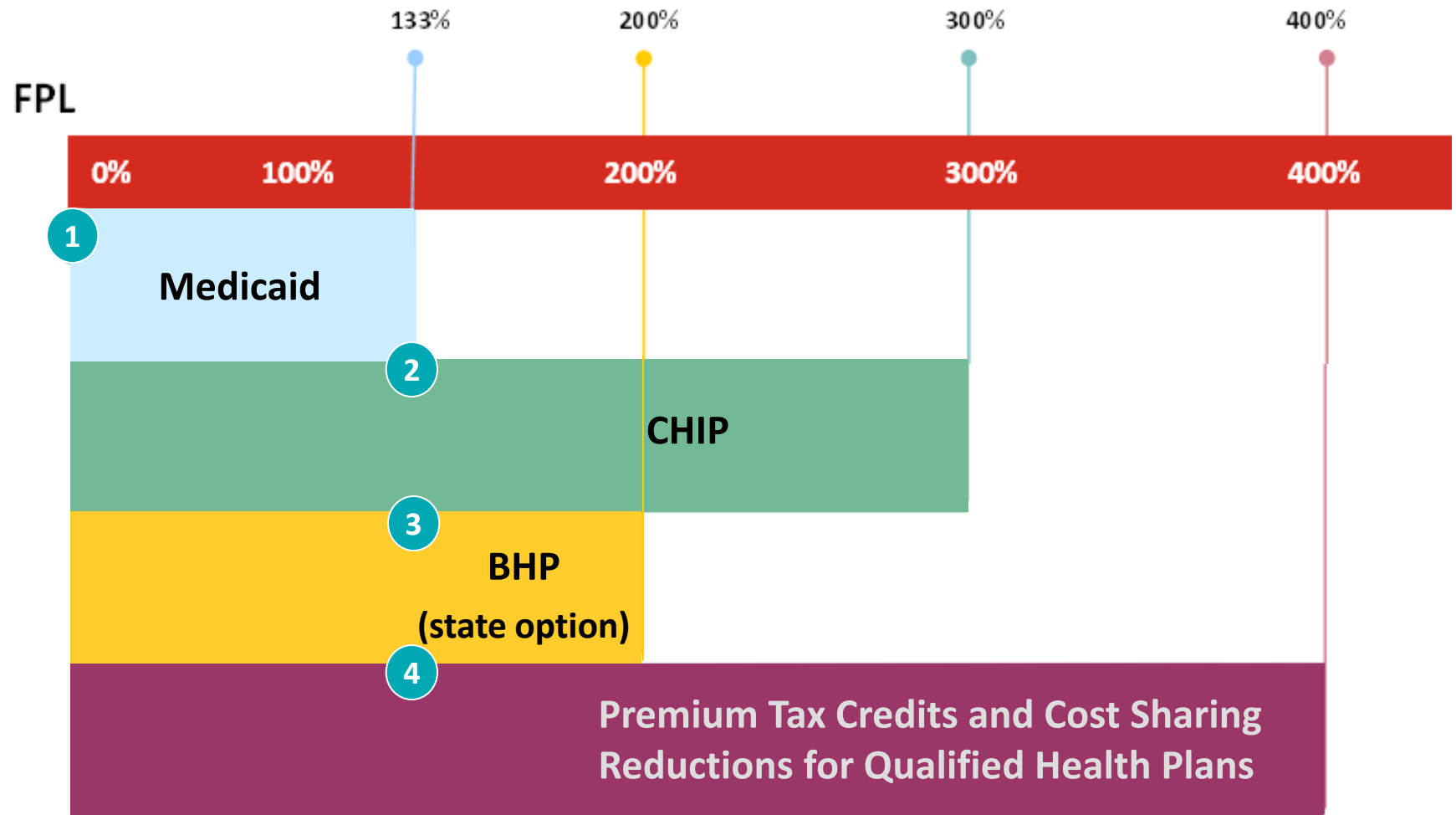
# As-Is Landscape



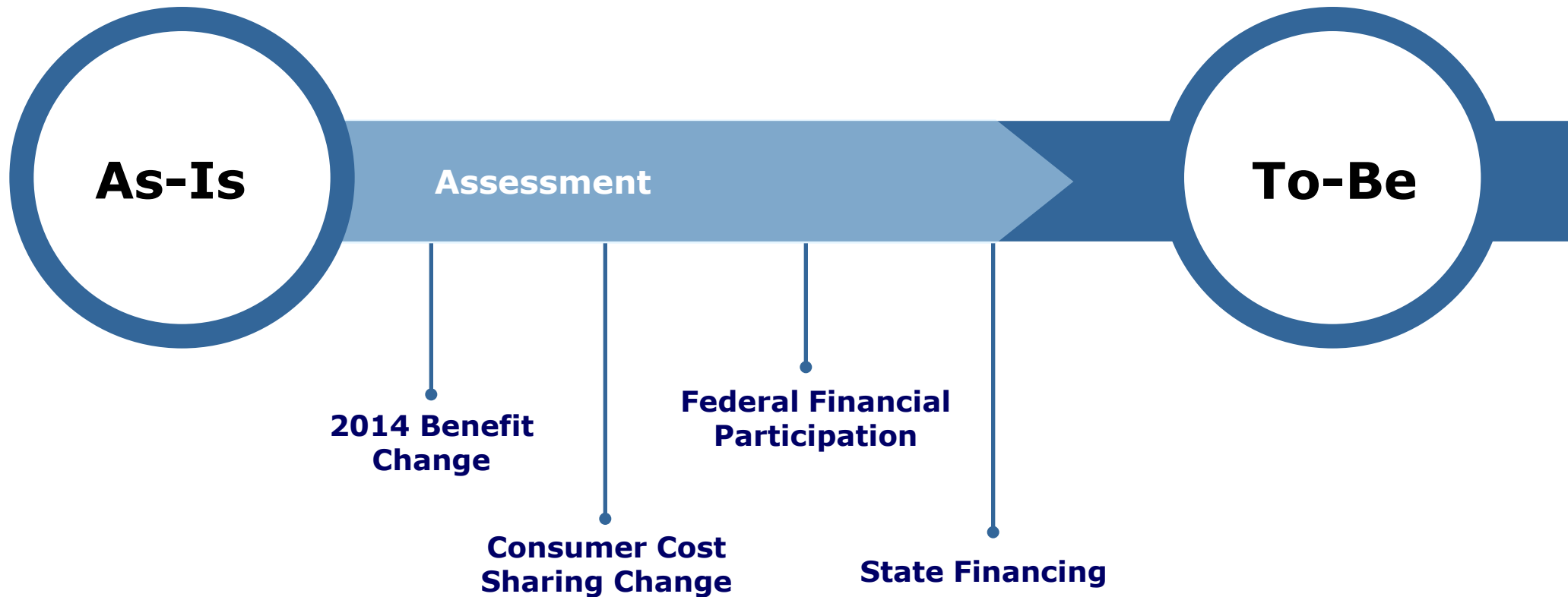
# To-Be Landscape



# 2014 Insurance Affordability Programs



# Transition from As-Is to To-Be: Assessment

















# Background on Future State (“To Be”)

- Pregnant women and children
  - State required to retain current eligibility levels
    - For children until 2019
- New adult group: aged 19-64 with incomes  $\leq$  138% FPL
  - Childless adults
  - Parents/caretaker relatives with incomes  $>$  Family Medical Standard
  - State must provide Benchmark coverage (unless exempt)
  - State receives enhanced FMAP (100% in 2014-16) for “newly eligibles” within new adult group
    - Individuals who would have been eligible under another eligibility category as of December 1, 2009 are not “newly eligibles”
- Aged/Blind/Disabled
  - No change under ACA



# Background on Future State (“To Be”)

- Medicaid Benchmark coverage for new adult group linked to:
  - Federal Deficit Reduction Act (DRA) and ACA Essential Health Benefits requirements
  - For purposes of this analysis, we assume Medicaid Benchmark will have relatively comparable services and consumer cost-sharing to Medicaid Standard; however:
    - Benchmark may cover services not covered under Standard, e.g., chiropractic
    - Benchmark may cover more visits for a particular service than covered under Standard, e.g., physical therapy or mental health treatment
    - Standard may cover some services not covered in Benchmark, e.g., LTC services
    - Medicaid cost-sharing rules are the same for Benchmark and Standard
- Individuals with incomes < 400% FPL will receive Advance Premium Tax Credits (APTCs)/ Cost Sharing Reductions (CSRs) to purchase coverage in Qualified Health Plan (QHP) in Exchange
  - This analysis assumes a QHP will have somewhat fewer benefits and increased consumer cost-sharing as compared to Medicaid Standard
  - State option to provide cost-sharing wrap with state dollars, private dollars or through federal Medicaid (e.g., waiver)
- Enhanced FMAP for Newly Eligibles -- Caveat
  - Enhanced FMAP will be adjusted based on proxy calculation to capture individuals who would have been eligible prior to 2014 and for whom the State is not eligible for enhanced FMAP
  - The proxy methodology will impact financial considerations

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation*	State Financing
Women with Breast or Cervical Cancer	250% FPL	Standard	≤ 138% FPL: Medicaid Benchmark			 	 
			<u>Maintain</u> 139- 250% FPL: Medicaid Standard				
			139-250% FPL: QHP				

\* Awaiting CMS guidance on FMAP proxy adjustment



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NO CHANGE

# Considerations: Breast and Cervical Cancer

## ■ If eliminated:

- Individuals with incomes  $\leq$  138% FPL:
  - Estimated 2/3<sup>rd</sup> current enrollees will be eligible under new adult group
  - Undocumented women with incomes  $\leq$  138% FPL will be eligible for Emergency Medicaid but coverage for non-emergent services not available
- Individuals with incomes  $>$  138% FPL:
  - Estimated 1/3<sup>rd</sup> current enrollees will be eligible for APTC/CSRs
  - State option to provide cost-sharing wrap in QHP
  - 5 year bar eligible for APTC/CSRs
  - If uninsured when diagnosed, will not be able to access QHP coverage with subsidy until open enrollment period; may enroll in individual market outside exchange any time
- State option to phase down program in 2014 and eliminate in 2015
- Federal category may be eliminated entirely when program scheduled for 2014 reauthorization

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Family Planning Extension (post partum women)	185% FPL	Limited Family Planning Services (10 months)	≤ 138% FPL: Medicaid Benchmark				
			<u>Maintain</u> 139- 185% FPL: Limited Family Planning Services				
			139-185% FPL: QHP				



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# Considerations: Family Planning Extension

## ■ If eliminated:

- Benefits:
  - Consumer enrolled in a more comprehensive benefit package in Medicaid Benchmark and QHP than limited family planning services available through Family Planning Extension
- Cost-sharing:
  - Consumer with income  $\leq$  138% FPL has no co-premiums and no cost-sharing in Medicaid Benchmark for family planning services
  - Consumer with income  $>$  138% FPL in QHP has co-premiums but no cost-sharing for family planning services
- Immigrants:
  - State option to use state funds to underwrite costs for family planning services for undocumented women

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Take Charge Family Planning (Family Planning Waiver)	200% FPL  (250% FPL awaiting federal approval)	Family Planning Services	≤ 138% FPL: Medicaid Benchmark				
			<u>Maintain</u> 139- 250% FPL: Limited Family Planning				
			139-250% FPL: QHP				



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# Considerations: Take Charge Family Planning

- **If eliminated:**

- **Benefits:**





- Consumer enrolled in a more comprehensive benefit package in Medicaid Benchmark and QHP than limited family planning services available through Take Charge Family Planning

- **Cost-sharing:**

- Consumer with income  $\leq$  138% FPL has no co-premiums and no cost-sharing in Medicaid Benchmark for family planning services
    - Consumer with income  $>$  138% FPL in QHP has co-premiums but no cost-sharing for family planning services

- **Adolescents:**

- Majority of current Take Charge enrollees are under age 24 and enroll without parental involvement
    - Potential state option to continue program for adolescents with state only dollars or via waiver/State Plan Amendment from CMS

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Psychiatric Indigent Inpatient Program (State dollars)	38% FPL	Emergency Inpatient Psychiatric Care (\$2,000 co-pay)	≤ 138% FPL: Medicaid Benchmark/ Emergency Medicaid				



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# Considerations: Psychiatric Indigent Inpatient Program













- **If eliminated:**

- **Benefits:**

- Individuals enrolled in Medicaid Benchmark will receive more comprehensive benefit package (including mental health coverage)

- **Immigrants:**

- Undocumented immigrants with incomes  $\leq 138\%$  FPL may have their inpatient psychiatric care covered under Emergency Medicaid

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Involuntary Treatment Act (State dollars)	NA	Inpatient Psych Treatment	≤ 138% FPL: Medicaid Benchmark / Emergency Medicaid				
			<u>Maintain</u> > 139% FPL: Inpatient Psych Treatment				
			139-400% FPL: QHP				



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NO CHANGE

# Considerations: Involuntary Treatment Act

- **If eliminated:**

- **Benefits:**

- Consumers enrolled in Medicaid Benchmark will receive more comprehensive benefit package (including mental health coverage)

- **Immigrants:**

- Undocumented with incomes  $\leq 138\%$  FPL may have their inpatient psychiatric care covered under Emergency Medicaid

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Kidney Disease Program (State dollars)	300% FPL	Limited End Stage Renal Failure Services	≤ 138% FPL: Medicaid Benchmark				
			<u>Maintain</u> 139-300% FPL: Limited End Stage Renal Failure				
			139-300% FPL: QHP				



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NO CHANGE

# Considerations: Kidney Disease Program

- **If eliminated:**
  - Individuals with incomes  $\leq$  138% FPL:
    - Will receive more comprehensive benefit package in Medicaid Benchmark
    - Undocumented immigrants may be able to receive services under Emergency Medicaid
  - Individuals with incomes  $>$  138% FPL
    - May experience three month waiting period before eligible for End Stage Renal Disease (ESRD) Medicare coverage
    - May enroll in a QHP during open enrollment period
    - State option to underwrite cost of services
    - May purchase coverage in individual market outside Exchange

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Medical Care Services	≤ 38% FPL	Limited Medical Services	≤ 138% FPL: Medicaid Benchmark				







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PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
ADATSA	≤ 38%	Limited Medical Services	≤ 138% FPL: Benchmark (includes substance abuse treatment)				



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NO CHANGE

# Considerations: Medical Care Services & ADATSA

- **If eliminated:**

- **Benefits:**











- Individuals with incomes  $\leq 138\%$  FPL will receive more comprehensive benefit package in Medicaid Benchmark

- **Immigrants:**

- 5 year bar and some PRUCOLs will be eligible for APTC/CSRs
    - Some PRUCOLs will not be eligible for APTC/CSRs

- De-links automatic referral to Housing Essential Need



PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation*	State Financing
SSI Presumptive/ ABD (State-based disability determination)	≤ SSI Levels	Medicaid Standard	<u>Maintain</u> ≤ SSI Levels: Medicaid Standard				
			≤ 138% FPL: Benchmark			 	 

\* Awaiting CMS guidance on FMAP proxy adjustment



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# Considerations: SSI Presumptive/ABD

- **If eliminated:**

- No longer need state-based disability determinations
- Benefits:
  - Applicants with incomes  $\leq 138\%$  FPL will be enrolled in Medicaid Benchmark under the new adult group
  - IF Benchmark includes long term care services consumer should have access to all needed services
  - If Benchmark does not include long term care services consumer may not have access to some needed services; unless Benchmark exemptions apply to new adult group and individual may enroll in Standard
- De-links from other services:
  - Cash assistance
  - Long term care waiver programs
  - Requires consideration of alternative triggers

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Medically Needy Children (Spend Down)	$\leq 300\%$ FPL $\leq 200\%$ FPL for institutionalized	Medicaid Standard	<u>Maintain</u> Medicaid Standard				
Medically Needy Pregnant Women (Spend Down)	$\leq 185\%$ FPL	Medicaid Standard	<u>Maintain</u> Medicaid Standard (Benchmark Exempt)				



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# Considerations: Medically Needy Populations

- Children/Pregnant Women:
  - State must maintain Medically Needy for children until 2019 due to ACA Maintenance of Effort requirement
  - Because Medically Needy maintained for children it must be maintained for pregnant women pursuant to Social Security Act
- Aged/Blind/Disabled:
  - State option to eliminate Medically Needy
- New Adult Group:
  - State option to implement Medically Needy
- Benefits:
  - State option to establish more limited benefit package for Medically Needy than Medicaid Standard
  - Medically Needy benefit package currently does not include personal care, audiology services, and hearing aids

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation*	State Financing
Medically Needy Blind/Disabled (Spend Down)	> SSI Income Levels	Medicaid Standard	<u>Maintain</u> > SSI Income Levels: Medicaid Standard				
			≤ 138% FPL: Medicaid Benchmark (non-Medicare)			 	 
			139-400% FPL: QHP (non-Medicare)		 		

\*Awaiting CMS guidance on proxy adjustment











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NO CHANGE

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Medically Needy Aged (Spend Down)	> SSI Income Levels	Medicaid Standard	<u>Maintain</u> > SSI Income Levels: Medicaid Standard				
			> SSI Income Levels: (Miller Trust for waiver services and long term institutional care)				



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NO CHANGE

# Considerations: Medically Needy Aged/Blind/Disabled
















## ■ If eliminated:

### ■ Individuals with incomes $\leq$ 138% FPL:

- Will be eligible for Medicaid Benchmark under new adult group if not enrolled in Medicare; if Benchmark exemptions apply to new adult group, will be eligible for Standard
- Will *not* be eligible for Medicaid Benchmark under new adult group if enrolled in Medicare
- Will *not* be eligible for Medicaid benchmark under new adult group if 65+ (regardless of whether they are enrolled in Medicare)

### ■ Individuals with incomes $>$ 138% FPL:

- Will be eligible to enroll in a QHP and receive APTC/CSRs if not eligible for or enrolled in Medicare (even if 65+)
- Will *not* be eligible to enroll in a QHP in the Exchange if eligible for or enrolled in Medicare
- Will be eligible to enroll in a QHP and receive APTC/CSRs if 5 year bar immigrant

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation*	State Financing
Health Care for Workers With Disabilities	220% FPL	Medicaid Standard	≤ 138% FPL: Medicaid Benchmark (non-Medicare)			 	 
			<u>Maintain</u> 139- 220% FPL: Medicaid Standard				
			139-220% FPL: QHP (non-Medicare)		 		

\* Awaiting CMS guidance on proxy adjustment



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NO CHANGE



# Considerations: Health Care for Workers with Disabilities (HCWD)

## ■ If eliminated:

- Estimated 75% of current HCWD enrollees are eligible for Medicare
- Medicare-eligible enrollees with incomes  $\leq$  138% FPL will not be eligible for Medicaid under new adult group
- Medicare-eligible enrollees with incomes  $>$  138% FPL will not be eligible to enroll in a QHP and receive APTC/CSRs
- Estimated 25% of current HCWD enrollees that are not Medicare eligible will be eligible for Medicaid Benchmark under new adult group; will be eligible for Medicaid Standard if Benchmark exemptions apply

PROGRAM	ELIGIBILITY LEVEL	COVERED SERVICES	2014 OPTIONS	Implications			
				2014 Benefit Change	Consumer Cost Sharing Change	Federal Financial Participation	State Financing
Basic Health Program	≤ 133% FPL Net (200% FPL Gross)	Basic Health Program	≤ 138% FPL: Medicaid Benchmark				
Basic Health Program (Foster Parents)	≥ 133% FPL (200% FPL Gross)	Basic Health Program	≥ 139% FPL: QHP		 		



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# Considerations: Basic Health Program

- **When eliminated:**
  - Immigrants:
    - 5 year bar immigrants eligible for APTCs/CSRs
    - Coverage options for undocumented need to be considered

# Transitional Medicaid Assistance (TMA)

- Coverage under Social Security Act § 1931 for Low Income Families (LIF) remains in effect
- Six month/12 month TMA for individuals eligible under the LIF category
  - Sunsets on December 31, 2012 unless extended by Congress
  - If Congress elects to extend § 1925 beyond December 31, 2012, Washington will still need to provide Transitional Medicaid to eligible individuals
- Four month TMA for individuals eligible under the LIF category losing eligibility due to increased earnings or hours of work or due to increased spousal support
  - Does not have a sunset date
  - Effective in 2014 unless Congress repeals
- Four month TMA for individuals eligible under the LIF category losing eligibility due to increased child support
  - Not relevant in 2014 because child support not counted as income under MAGI

# Thank You!

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